



File #: CB 120294, Version: 1

SEATTLE CITY

## COUNCIL Legislation

Text

CITY OF SEATTLE

## ORDINANCE

\_\_\_\_\_ COUNCIL

BILL \_\_\_\_\_

600 Fourth Ave. 2nd Floor Seattle, WA 98104

AN ORDINANCE relating to app-based worker labor standards; establishing a compensation scheme for app based workers with minimum pay requirements and related standards for transparency and flexibility; amending Sections 3.02.125, 3.15.000, and 6.208.020 of the Seattle Municipal Code; and adding a new Title 8 and Chapter 8.37 to the Seattle Municipal Code.

WHEREAS, an estimated 40,000 app-based workers work in Seattle, including those who are Black,

Indigenous, and other People of Color (BIPOC), immigrants, workers with disabilities, LGBTQ+ workers, and single parents; and

WHEREAS, the community depends on app-based workers to provide valuable services, but network

companies often pay app-based workers subminimum wages despite the promise of good wages, flexibility, and accessibility; and

WHEREAS, the definitions of “employee” and “employer” in local, state, and federal laws are broad, but

network companies rely on business models that treat app-based workers as “independent contractors,” thereby creating barriers for app-based workers to access employee protections such as minimum wage, unemployment benefits, workers’ compensation, and paid family and medical leave; and

WHEREAS, the U.S. Bureau of Labor Statistics (BLS) data show that Black workers account for 23 percent of app-based workers performing in-person work, higher than their overall share of employment (12 percent), and Latinx workers account for 19 percent of app-based workers performing in-person work, higher than their overall share of employment (17 percent); and

WHEREAS, Black and Latinx workers are overrepresented among app-based workers, comprising almost 42

SEATTLE CITY COUNCIL Page 1 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

percent of app-based workers but less than 29 percent of the overall labor force, and are disproportionately deprived of core employee protections when network companies treat them as independent contractors; and

WHEREAS, BIPOC workers face unique barriers to economic insecurity and disproportionately must accept low-wage, unsafe, and insecure working conditions; and

WHEREAS, BIPOC workers have long been heavily concentrated in exploitative industries; and WHEREAS, the City is committed to ending racial disparities and achieving racial equity in Seattle; and WHEREAS, the City intends to address the inequities of app-based work by ensuring that such workers earn at

least the City's minimum wage plus reasonable expenses, receive transparent information on job offers and pay, and exercise the flexibility promised by network companies; and

WHEREAS, the City intends to retain the current definitions of worker classification under Seattle's labor standards and does not intend to create a new classification of workers distinct from employees or independent contractors; and

WHEREAS, the City intends to ensure that all workers can benefit from the protections of Seattle's labor standards; and

WHEREAS, the City is a leader on wage, labor, and workforce practices that improve workers' lives,

support economic security, and contribute to a fair, healthy, and vibrant economy; and

WHEREAS, the Office of Labor Standards will consult with and consider input from stakeholders, including network companies, app-based workers, and worker organizations in the rulemaking process.; and  
WHEREAS, establishing labor standards for app-based workers requires appropriate action by the City Council; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. The City Council (“Council”) finds and declares that:

A. App-based work is a growing source of income for workers in Seattle and across the country.

SEATTLE CITY COUNCIL Page 2 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

B. In the exercise of The City of Seattle’s police powers, the City is granted authority to pass regulations designed to protect and promote public health, safety, and welfare.

C. This ordinance protects and promotes public health, safety, and welfare by establishing a compensation scheme for app-based workers with minimum pay requirements and related standards for transparency and flexibility.

D. Numerous studies, including but not limited to studies by the Economic Policy Institute, Center for American Progress, and the Brookings Institution, show that minimum payment and other labor standards benefit employers and hiring entities by improving worker performance, reducing worker turnover, and thereby improving productivity and the quality of the services provided by workers, including app-based workers.

E. Many Seattle workers, including app-based workers, cannot fully participate in the community’s dynamic civic life or pursue its myriad educational, cultural, and recreational opportunities because they struggle to meet their households’ most basic needs.

F. The National Employment Law Project reports that instituting minimum pay requirements can confer critical income gains for workers and begin to reverse decades of growing pay inequality between the most underpaid

workers and workers receiving close to the median wage, particularly along racial and gender lines.

G. Transparent information on job opportunities, along with the flexibility to determine hours of availability and which offers to accept, reject, or cancel with cause, allows workers to make informed decisions on how and when to earn their income without fear of financial penalty or other adverse actions.

H. Requiring disclosure of information and records on worker compensation and the nature of network company charges supports efforts to verify compliance with pay requirements.

I. Establishing minimum pay and pay-related labor standards promotes the general welfare, health, and prosperity of Seattle by ensuring that workers have stable incomes and can better support and care for their families and fully participate in Seattle's civic, cultural, and economic life.

J. These labor standards also benefit the Seattle economy by increasing app-based worker earnings and

SEATTLE CITY COUNCIL Page 3 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

thereby boosting consumer spending in Seattle and benefiting the economy overall.

Section 2. A new Title 8 is added to the Seattle Municipal Code as follows:

## **TITLE 8 LABOR STANDARDS**

Section 3. A new Chapter 8.37 is added to the Seattle Municipal Code as follows:

### **Chapter 8.37 APP-BASED WORKER MINIMUM PAYMENT**

#### **8.37.010 Short title**

This Chapter 8.37 shall constitute the "App-Based Worker Minimum Payment Ordinance" and may be cited as such.

#### **8.37.020 Definitions**

For purposes of this Chapter 8.37:

"Acceptance" means the initial communication from an app-based worker to a network company that the app-based worker intends to perform services in furtherance of an offer, including but not limited to

indicating acceptance through the worker platform.

“Adverse action” means reducing compensation; garnishing tips or gratuities; temporarily or permanently denying or limiting access to work, incentives, or bonuses; offering less desirable work; terminating; deactivating; threatening; penalizing; retaliating; engaging in unfair immigration-related practices; filing a false report with a government agency; or otherwise discriminating against any person for any reason prohibited by Section 8.37.120. “Adverse action” for an app-based worker may involve any aspect of the app based worker’s work, including compensation, work hours, volume, and frequency of offers made available, desirability and compensation rates of offers made available, responsibilities, or other material change in the terms and conditions of work or in the ability of an app-based worker to perform work.

“Adverse action” also includes any action by the network company or a person acting on the network company’s behalf that would dissuade a reasonable person from exercising any right afforded by this Chapter 8.37. “Agency” means the Office of Labor Standards and any division therein.

SEATTLE CITY COUNCIL Page 4 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

“Aggrieved party” means an app-based worker or other person who suffers tangible or intangible harm due to a network company’s or other person’s violation of this Chapter 8.37.

“App-based worker” means a person who has entered into an agreement with a network company governing the terms and conditions of use of the network company’s worker platform or a person affiliated with and accepting offers to perform services for compensation via a network company’s worker platform. For purposes of this Chapter 8.37, at any time, but not limited to, when an app-based worker is logged into the network company’s worker platform, the worker is considered an app-based worker.

“Application dispatch” means technology that allows customers to directly request dispatch of app based workers for provision of services and/or allows app-based workers or network companies to accept offers to perform services for compensation and payments for services via the internet using interfaces,

including but not limited to website, smartphone, and tablet applications.

“Associated cost factor” means the additional percentage of the minimum wage equivalent rate that reasonably compensates app-based workers for the non-mileage expenses that are necessary to conduct app based work, which include but are not limited to the following:

1. Employer-side payroll taxes that app-based workers must pay;
2. Cost of paid family and medical leave insurance;
3. Cost of state-provided unemployment insurance;
4. Cost of workers’ compensation insurance;
5. Business taxes that app-based workers must pay;
6. Business licensing fees that app-based workers must pay; and
7. Cost of miscellaneous expenses such as purchase of cellular phones, data plans, and

other equipment required for work.

“Associated mileage factor” means the additional percentage of the mileage rate that reasonably compensates app-based workers for miles traveled without compensation that are necessary to conduct app

SEATTLE CITY COUNCIL Page 5 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

based work, which may include but is not limited to the following:

1. Miles traveled after completing performance of an offer, to relocate to locations where additional offers are likely to be available or to return to the starting location; and/or
2. Miles traveled to locations for rest breaks, meal breaks, restroom access, and administrative needs.

“Associated time factor” means the additional percentage of the minimum wage equivalent rate that reasonably compensates app-based workers for the time that app-based workers spend working or engaged to wait for work without compensation to perform app-based work, including but not limited to the following: 1. Reviewing offers;

2. Communicating with network companies and customers;

3. Relocating in anticipation of future offers;
4. Conducting administrative tasks; and
5. Taking rest breaks.

“Cancellation with cause” means cancellation of a previously accepted offer by an app-based worker for reasons identified in subsection 8.37.080.C.

“City” means The City of Seattle.

“Compensation” means the total amount of payment owed to an app-based worker by reason of performing work facilitated or presented by the network company, including but not limited to network company payments, bonuses, incentives, and tips earned from customers.

“Creative services or works” means labor that results in or contributes to the creation of original works, as well as the works resulting from such labor. The term “creative services or works” includes but is not limited to fiction and non-fiction writing, art, photography, graphic design, marketing, and related consulting services.

“Customer” means a paying customer and/or recipient of an online order.

“Director” means the Director of the Office of Labor Standards or the Director’s designee.

SEATTLE CITY COUNCIL Page 6 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

“Engaged miles” means miles traveled during engaged time in a vehicle that the network company does not own and maintain, or miles traveled during engaged time in a vehicle leased by the network company or its agent to the app-based worker. Engaged miles do not include any miles that may be traveled in furtherance of an offer facilitated by a marketplace network company.

“Engaged time” means the period of time in which an app-based worker performs services in furtherance of an offer facilitated or presented by a network company or participates in any training program required by a network company. Engaged time begins and ends as described below:

1. If an offer is being facilitated or presented by an on-demand network company, or is an on

demand offer, “engaged time” begins upon the app-based worker’s initiation of performance acceptance of the offer and ends upon the app-based worker’s completing performance of the offer, cancellation of the offer by the network company or customer, or cancellation with cause of the app-based worker’s acceptance of the offer pursuant to subsection 8.37.080.C. Engaged time shall not include any period of time in which an app-based worker performs services in furtherance of an offer but subsequently abandons performance of the offer or cancels acceptance of the offer without cause. Engaged time does not include a period of time excluded by a network company if doing so is reasonably necessary to remedy or prevent fraudulent use of the network company’s online enabled application or platform.

*[DD Note: Although implied in this definition, the legislation does not expressly state what happens where the app-based worker abandons performance of an offer or cancels without cause. In order to prevent fraud, it is important to make clear that no time spent completing an offer is engaged time when the app-based worker abandons performance without cause.]*

2. If an offer is being facilitated or presented by a marketplace network company, “engaged time” is the reasonable estimate of engaged time required to perform the offer as mutually agreed by the marketplace network company or customer and the app-based worker when the offer is accepted. Engaged time may be non-consecutive and/or performed flexibly during an agreed upon range of time and is subject to rulemaking regarding offers that are cancelled with cause. .

3. In all other circumstances, “engaged time” begins when the app-based worker begins performance of the offer or when the app-based worker reports to a location designated in the offer. Engaged time ends upon the app-based worker’s completing performance of the offer, cancellation of the offer by the network company or customer, or cancellation with cause of the app-based worker’s acceptance of the offer pursuant to subsection 8.37.080.C.

The Director may issue rules on “engaged time” for (a) offers with non-compensable time, such as sleep time or other periods of off-duty time; or (b) offers with periods of time when the worker is not



completely

**File #:** CB 120294, **Version:** 1

relieved of the duty to perform services and cannot use the time effectively for their own purposes.

“Eating and drinking establishment” means “eating and drinking establishment” as defined in Section 23.84A.010.

“Food processing” means “food processing” as defined in Section 23.84A.012.

“Franchise” means an agreement by which:

1. A person is granted the right to engage in the business of offering, selling, or distributing goods or services under a marketing plan prescribed or suggested in substantial part by the grantor or its affiliate;

2. The operation of the business is substantially associated with a trademark, service mark, trade name, advertising, or other commercial symbol designated, owned by, or licensed by the grantor or its affiliate; and

3. The person pays, agrees to pay, or is required to pay, directly or indirectly, a franchise fee.

“Front pay” means the compensation an app-based worker would earn or would have earned if reinstated to their former position.

“Hearing Examiner” means the official appointed by the City Council and designated as the Hearing Examiner under Chapter 3.02 or that person’s designee (e.g., Deputy Hearing Examiner or Hearing Examiner Pro Tem).

“Incentive” means a sum of money paid to an app-based worker upon completion of services, including but not limited to completing performance of a certain number of offers, completing performance of a certain number of consecutive offers, completing performance of an offer subject to a price multiplier or variable pricing policy, making oneself available to accept offers in a particular geographic location during a

specified period of time, or recruiting new app-based workers.

“Marketplace network company” means a network company that (1) is exclusively engaged in facilitating pre-scheduled offers in which the prospective customer and worker exchange information

SEATTLE CITY COUNCIL Page 8 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

regarding the scope and details of services to be performed prior to the customer placing the online order for those services or the app-based worker accepting the offer, and (2) exclusively facilitates services performed without the network company monitoring offers by geographic location, mileage, or time. On demand network companies and companies that primarily provide delivery services are not marketplace network companies.

“Minimum wage equivalent rate” means the per-minute equivalent of the “hourly minimum wage” established for Schedule 1 employers in Chapter 14.19. In 2022, the “hourly minimum wage” established for Schedule 1 employers in Chapter 14.19 is \$17.27 and the resultant minimum wage equivalent rate is \$0.288.

“Network company” means an organization, whether a corporation, partnership, sole proprietor, or other form, operating in Seattle, that uses an online-enabled application or platform, such as an application dispatch system, to connect customers with app-based workers, present offers to app-based workers through a worker platform, and/or facilitate the provision of services for compensation by app-based workers.

1. The term “network company” includes any such entity or person acting directly or indirectly in the interest of a network company in relation to the app-based worker.

2. The term “network company” excludes:

a. An entity offering services that enable individuals to schedule appointments with and/or process payments to users, when the entity neither engages in additional intermediation of the relationships between parties to such transactions nor engages in any oversight of service provision; or

b. An entity operating digital advertising and/or messaging platforms, when the entity neither engages in intermediation of the payments or relationships between parties to resulting transactions nor engages in any oversight of service provision.

c. An entity that meets the definition of “transportation network company” as defined by RCW 46.04.652 <<http://app.leg.wa.gov/RCW/default.aspx?cite=46.04.652>>.

d. An entity that meets the definition of “for hire vehicle company” or “taxicab association” as defined in Section 6.310.110.

SEATTLE CITY COUNCIL Page 9 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

A company that meets the definition of network company in this subsection and does not fall within any of the exclusions contained in this subsection is subject to this Chapter 8.37. “Network company payment” means the amount owed to an app-based worker by reason of performing services in furtherance of an offer facilitated or presented by the network company, including but not limited to payment for providing services and/or commissions, or participating in any training program required by a network company.

“Offer” means one or more online orders presented to an app-based worker as one opportunity to perform services for compensation that the app-based worker may accept or reject.

1. An opportunity to perform services for compensation includes but is not limited to an opportunity described via a worker platform as a shift, a period of time to be spent engaged in service provision, a continuous period of time in which the app-based worker must make themselves available to perform services, or any other continuous period of time when the worker is not completely relieved of the duty to perform the service(s), and such a period of time shall be considered as one offer.

2. The term “offer” includes pre-scheduled offers and on-demand offers.

“On-demand network company” means a network company that is primarily engaged in facilitating

or presenting on-demand offers to app-based workers.

1. The term “on-demand network company” includes but is not limited to a network company operating in Seattle that is primarily engaged in facilitating or presenting on-demand offers to app-based workers for delivery services from one or more of the following: (a) eating and drinking establishments, (b) food processing establishments, (c) grocery stores, or (d) any facility supplying groceries or prepared food and beverages for an online order.

2. When determining whether a network company is “primarily engaged in facilitating or presenting on-demand offers to app-based workers,” the Agency may consider any number of factors, including but not limited to the following examples: number of on-demand offers relative to the network company’s

SEATTLE CITY COUNCIL Page 10 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

overall offers; information from app-based workers; marketing or promotional materials from the network company; or other public statements from representatives of the network company.

“On-demand offer” means an offer facilitated or presented by a network company to an app-based worker that requires performance to be initiated within two hours of acceptance (i.e., an offer that is not a prescheduled offer).

“Online order” means an order for services that is placed through an online-enabled application or platform, such as an application dispatch system, and that is facilitated by a network company or presented by a network company for its own benefit. The Director may issue rules further defining the definition of “online order” and the types of transactions excluded from this definition. The term “online order” does not include the following transactions:

1. Sale or rental of products or real estate;
2. Payment in exchange for a service subject to professional licensure that has been listed by the Director pursuant to this Section 8.37.020;
3. Payment in exchange for services wholly provided digitally;

4. Payment in exchange for creative services or works;

5. Transportation Network Company (TNC) dispatched trips. For purposes of this subsection, “TNC dispatched trips” mean the provision of transportation by a driver for a passenger through the use of a transportation network company's application dispatch system ; and

6. Transportation provided by taxicabs or for-hire vehicles, as defined in Chapter 6.310.

“Operating in Seattle” means, with respect to a network company, facilitating or presenting offers to provide services for compensation using an online-enabled application or platform, such as an application dispatch system, to any app-based worker, where such services are performed in Seattle. “Paying customer” means a person or entity placing an online order via a network company’s online-enabled application or platform.

SEATTLE CITY COUNCIL Page 11 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

“Perform services in Seattle” means activities, conducted by an app-based worker in furtherance of an offer, that occur within the geographic boundaries of Seattle.

1. The term “perform services in Seattle” includes any time spent on a commercial stop in Seattle that is related to the provision of delivery or other services associated with an offer. 2. The term “perform services in Seattle” does not include stopping for refueling, stopping for a personal meal or errands, or time spent in Seattle solely for the purpose of travelling through Seattle from a point of origin outside Seattle to a destination outside Seattle with no commercial stops in Seattle. For offers made by a marketplace network company, the term “perform services in Seattle” shall be determined based on the address where services are to be performed per the terms agreed upon as part of the offer. “Pre-scheduled offer” means an offer that is facilitated or presented by a network company to an app based worker at least two hours prior to when the app-based worker is required to initiate performance. “Rate of inflation” means 100 percent of the annual average growth rate of the bi-monthly Seattle Tacoma-Bellevue Area Consumer Price Index for Urban

Wage Earners and Clerical Workers, termed CPI-W, for the 12-month period ending in August; provided that the percentage increase shall not be less than zero. “Respondent” means the network company or any person who is alleged or found to have committed a violation of this Chapter 8.37.

“Service subject to professional licensure” means a service that legally requires authorization or certification for a regulatory purpose for an individual to engage in the service as an occupation, trade, or business. The Director shall issue rules that establish a list of professional licenses indicative of occupations or trades in which workers possess significant bargaining power and influence over their compensation and conditions of work. In establishing this list, the Director shall consider, at a minimum, the licensing requirements of the Washington State Department of Licensing, the Washington State Bar Association, and the Washington Medical Commission.

“Standard mileage rate” means ~~the cost of operating an automobile for food delivery in the City of Seattle, which is \$0.30. the current standard mileage rate established by the United States~~

SEATTLE CITY COUNCIL Page 12 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

~~Internal Revenue Service (IRS) for calculation of the costs of operating an automobile. This mileage rate is adjusted annually by the IRS. For example, the 2022 mileage rate is \$0.585.~~

*[DD Note: While the IRS produces a widely cited estimate of driving reimbursement costs, it is a generic estimate meant to encompass the combined fixed and variable costs of driving a vehicle a mile. The estimate is not specific to any vehicle and is intended to cover the fleet of vehicles in the US, including vans, pickup trucks and panel trucks. For this reason it is not an accurate representation of the costs incurred by the typical Seattle delivery driver operating a sedan/hybrid. We suggest that the standard mileage rate reflect the Beacon Economics study findings that variable costs for drivers on DNC platforms range from an estimated 27 to 30 cents per mile and that these estimates should be the basis for understanding the net earnings (earnings minus costs) of DNC drivers in Seattle.]*

“Tips” means a verifiable sum to be presented by a customer as a gift or gratuity in recognition of some service performed for the customer by the app-based worker receiving the tip.

~~“Unsealed” means unpackaged, visible within packaging, and/or in packaging that is not designed to withstand shipment. The term “unsealed” includes but is not limited to bags, boxes, or containers designed to allow customers to transport hot food or groceries to their homes.~~

*[DD Note: This definition of unsealed essentially covers all food delivery so is redundant for the purposes of the transparency requirements.]*

“Worker platform” means the worker-facing application dispatch system software or any online-enabled application service, website, or system, used by an app-based worker, that enables the arrangement of services for compensation.

“Written” or “in writing” means a printed or printable communication in physical or electronic format including a communication that is transmitted through email, text message, or a computer system, or is otherwise sent or maintained electronically, including via the worker platform.

#### **8.37.030 App-based worker coverage**

A. An app-based worker is covered by this Chapter 8.37 if the app-based worker performs services in Seattle facilitated or presented by a network company covered by this Chapter 8.37.

1. If an app-based worker begins engaged time in Seattle, the requirements of this Chapter 8.37 apply, regardless of where the app-based worker terminates performance of the offer.

2. If an app-based worker begins engaged time outside of Seattle, the requirements of this Chapter 8.37 apply only for the portion of services that occur within Seattle.

B. An app-based worker who is a covered employee under Chapter 14.19 for a covered network company, or a covered employee under Chapter 14.19 for a customer of an online order, is not a covered app based worker under this Chapter 8.37.

#### **8.37.040 Network company coverage**

**File #:** CB 120294, **Version:** 1

A. For the purposes of this Chapter 8.37, covered network companies are limited to those that facilitate work performed by 250 or more app-based workers worldwide regardless of where those workers perform work, including but not limited to chains, integrated enterprises, or franchises associated with a franchise or network of franchises that facilitate work performed by 250 or more app-based workers worldwide in aggregate.

B. To determine the number of app-based workers performing work for the current calendar year: 1. The calculation is based upon the average number per calendar week of app-based workers who worked for compensation during the preceding calendar year for any and all weeks during which at least one app-based worker worked for compensation. For network companies that did not have any app-based workers during the preceding calendar year, the number of app-based workers counted for the current calendar year is calculated based upon the average number per calendar week of app-based workers who worked for compensation during the first 90 calendar days of the current year in which the network company engaged in business.

2. All app-based workers who worked for compensation shall be counted, including but not limited to:

- a. App-based workers who are not covered by this Chapter 8.37;
- b. App-based workers who worked in Seattle; and
- c. App-based workers who worked outside Seattle.

C. Separate entities that form an integrated enterprise shall be considered a single network company under this Chapter 8.37. Separate entities will be considered an integrated enterprise and a single network company under this Chapter 8.37 where a separate entity controls the operation of another entity. The factors to consider in making this assessment include but are not limited to:

1. Degree of interrelation between the operations of multiple entities;



2. Degree to which the entities share common management;

**File #:** CB 120294, **Version:** 1

3. Centralized control of labor relations;
4. Degree of common ownership or financial control over the entities; and
5. Use of a common brand, trade, business, or operating name.

### **8.37.050 Minimum network company payment**

A. For each offer resulting in engaged time or engaged miles, a network company shall compensate app-based workers, and/or ensure app-based workers receive, at least the equivalent of a minimum network company payment that is the greater of either:

1. The minimum per-minute amount for engaged time under subsection 8.37.050.B.1 plus the minimum per-mile amount for engaged miles under subsection 8.37.050.B.2; or
2. The minimum per-offer amount under subsection 8.37.050.B.4.

#### **B. Minimum network company payment calculation**

1. Per-minute amount. For each minute of engaged time, a network company shall compensate app-based workers, and/or ensure that app-based workers receive, at least the equivalent of the total of the minimum wage equivalent rate multiplied by the associated cost factor multiplied by the associated time factor. In 2022, the per-minute amount is \$0.369. On the effective date of this Chapter 8.37, and on January 1 of each year thereafter, the per-minute amount shall be increased to reflect any adjustment(s) to the minimum wage equivalent rate, associated cost factor, or associated time factor. The Agency shall determine the per minute amount and file a schedule of such amount with the City Clerk.

a. Associated cost factor. The associated cost factor is 1.103.

b. Associated time factor. The associated time factor is 1.1521.

2. Per-mile amount. For each engaged mile traveled, a network company shall compensate app based workers,

and/or ensure that app-based workers receive, at least the equivalent of the standard mileage rate multiplied by the associated mileage factor, which is 1.0525. In 2022, the per-mile amount is \$0.3173. On the effective date of this Chapter 8.37, and on January 1 of each year thereafter, the per-mile amount shall be

SEATTLE CITY COUNCIL Page 15 of 49 Printed on 4/4/2022 powered by Legistar™

File #: CB 120294, Version: 1

increased annually to reflect any adjustment(s) to the standard mileage rate or associated mileage factor.

The Agency shall determine the per-mile amount and file a schedule of such amount with the City Clerk. 3.

The calculations described in this subsection 8.37.050.B are expressed in equation form as: (Engaged

minutes x minimum wage equivalent rate

x associated cost factor x associated time factor)

+ (engaged miles x standard mileage rate x associated mileage factor)

= minimum network company payment per offer.

The established current rates and factors result in the following calculation for the required minimum network company payment:

(Engaged minutes x \$0.288 x 1.103 x 1.1524)

+ (Engaged miles x \$0.30585 per x 1.0525)

= \$0.369/minute + \$0.31573/mile.

*[DD Note: This is updated not only to reflect our discussions with Working Washington to adjust the Associated Cost Factor, Associated Time Factor, and Associated Mileage Factor, but to reflect more appropriate inputs for all of these factors. For example, the Associated Mileage Factor should be reduced so that it does not account for time to travel for rest breaks, which a driver working on an app-based platform may take at any time and needn't drive to a central hub of any sort to do so. There have been no studies or data to support the inputs for any of these three factors for the PayUp proposal, so DoorDash is suggesting multiples based on its own data that suggest the above numbers are a more appropriate measure to account for these factors.]*

4. Per-offer amount. For each offer resulting in engaged time or engaged miles, a network company shall compensate app-based workers a minimum per-offer amount of at least \$5. The Director may

issue rules excluding certain offers from payment of the minimum per-offer amount under subsection 8.37.050.B.4, including but not limited to on-demand offers cancelled by the customer within a grace period of not more than five minutes after acceptance.

a. Effective January 1, 2024, the minimum per-offer amount paid to an app-based worker shall be increased on a percentage basis to reflect the rate of inflation and calculated to the nearest cent on January 1 of each year thereafter. The Agency shall determine the amount and file a schedule of such amount with the City Clerk.

5. The Director shall issue rules establishing the minimum network payment for marketplace offers that are based on estimated engaged time and are cancelled before completion of the performance of the offer.

SEATTLE CITY COUNCIL Page 16 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

6. Application of minimum network company payment requirements.

a. A marketplace network company may fulfill the requirements of this subsection 8.37.050.B by ensuring that the app-based worker is paid the minimum network payment calculated based on the reasonable estimate of engaged time as mutually agreed upon by the marketplace network company or customer and the app-based worker when the offer was accepted.

b. A minimum network company payment shall be provided for any offer resulting in engaged time and engaged miles by the app-based worker, offers cancelled by a customer or the network company, and offers for which acceptance was cancelled with cause by the app-based worker pursuant to subsection 8.37.080.C.

c. If an app-based worker accepts a new offer during performance of a previously accepted offer, and both offers are facilitated or presented by the same network company, engaged time and engaged miles accrued during any period of time in which performance of the offers overlaps shall be subject

to the minimum compensation requirements for a single offer under this subsection 8.37.050.B.

7. Nothing in this section shall be interpreted to require a network company to provide a particular amount of compensation to an app-based worker for any given delivery request, as long as the app-based worker's total network company payments for each pay period equals or exceeds that app-based workers's total minimum network company payments for that pay period as set forth in this section 8.37.050. For purposes of this section 8.37.050, pay period means a period set by the network company, not to exceed 7 consecutive calendar days.

*[DD Note: This would allow the earnings standard to be calculated weekly, as opposed to per delivery. This will (1) reduce fraudulent use of platform work and (2) allow companies to more quickly comply with the new earnings standard since it better aligns with the way existing earnings standards are calculated.]*

C. Adjustment of the associated cost factor and associated time factor.

1. Adjustment of the associated cost factor. Beginning three years after the effective date of this Chapter 8.37, the Director by rule may adjust the associated cost factor ~~every three years~~<sup>annually</sup>; provided, that this adjustment shall not result in reduction of the associated cost factor below 1.13. In adjusting the associated cost factor, the Director shall consider relevant and available sources of data, which may include but are not limited to: app based worker surveys; data provided by network companies; data provided by app-based workers; data provided by customers; data from other jurisdictions; data available through academic, policy, or community based organizations; public testimony; and stakeholder interviews. The Director may consider the non exhaustive list of factors that comprise the “associated cost factor” as defined in Section 8.37.020, as well as any other factor the Director determines is necessary to further the purposes of this Chapter 8.37. The Agency shall file a schedule of any adjustment(s) to the associated cost factor with the City Clerk.

*[DD Note: Reducing the frequency of adjustment to certain inputs to the already complex earnings standard*

*formula allows companies to predictably manage the costs of the earnings standard without adding last-minute customer fees to adjust.]*

~~2. Adjustment to the associated time factor. Beginning three years after the effective date of this Chapter 8.37, the Director by rule may adjust the associated time factor annually; provided, that this adjustment shall not result in reduction of the associated time factor below 1.21. In adjusting the associated time factor, the Director shall consider relevant and available sources of data, which may include but are not limited to: app based worker surveys; data provided by network companies; data provided by app-based workers; data provided by customers; data from other jurisdictions; data available through academic, policy, or community based organizations; public testimony provided; and stakeholder interviews. The Director may consider the non-exhaustive list of factors that comprise the “associated time factor” as defined in Section 8.37.020, as well as any other factor the Director determines is necessary to further the purposes of this Chapter 8.37. The Agency shall file a schedule of any adjustment(s) to the associated time factor with the City Clerk.~~

*[DD Note: It is unlikely the associated time factor will need to be continually adjusted since it is meant to cover administrative time and the like. Reducing the amount of constantly changing inputs to the already complex earnings standard formula allows companies to predictably manage the costs of the earnings standard without adding last-minute customer fees to adjust.]*

#### D. Deductions

1. A network company may only deduct compensation when the app-based worker expressly authorizes the deduction in writing and does so in advance for a lawful purpose for the benefit of the app-based worker. Any such authorization by an app-based worker must be voluntary and knowing.

2. Neither the network company nor any person acting in the interest of the network company

may derive any financial profit or benefit from any of the deductions under this subsection 8.37.050.D. For the purposes of this subsection 8.37.050.D, reasonable interest charged by the network company, or any person acting in the interest of a network company, for a loan or credit extended to the app-based worker is not considered to be of financial benefit to the network company, or any person acting in the interest of a network company.

### **8.37.060 Tip and incentive compensation**

#### **A. Tips**

1. A network company shall pay to its app-based workers all tips and gratuities.
2. Tips paid to an app-based worker are in addition to, and may not count towards:

SEATTLE CITY COUNCIL Page 18 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

- a. The app-based worker's minimum network company payment under Section 8.37.050;
- b. A guaranteed minimum amount of network company payment for an offer, as

described in Section 8.37.070, regardless of whether the guaranteed minimum amount exceeds the minimum network company payment owed to the app-based worker;

- c. Any incentive presented to the app-based worker; or
- d. Any amount of compensation presented to the app-based worker in exchange for

the performance of services.

~~B. Incentives paid to an app-based worker are in addition to, and may not count towards, the app-based worker's minimum network company payment under Section 8.37.050.~~

*[DD Note: The earnings standard ensures that both bonuses and customer tip will always be paid on top of the earnings standard formula. There is no reason that incentive payments should not count towards the minimum pay standard.]*

### **8.37.070 Network company transparency**

A. Right to up-front information regarding offers

1. A network company shall provide, and/or ensure a customer provides, an app-based worker the following information when facilitating or presenting an offer:

a. A reasonable estimate of the engaged time required to complete performance of the offer and, if applicable, the range of time in which the offer can be completed;

b. A reasonable estimate of the engaged miles required to complete performance of the offer and the approximate geographic location or locations where work in furtherance of the offer will occur, including pick-up and drop-off locations for offers involving deliveries;

c. A guaranteed minimum amount of network company payment for the offer; provided, that it does not fall below the minimum network company payment requirements established in Section 8.37.050 for an offer requiring the amount of engaged time and engaged miles provided in the estimate;

d. ~~A minimum amount of compensation per offer. The amount of any tip that each customer has indicated they will provide, if the network company's online-enabled application or platform enables customers to tip in advance of completion of an online order;~~

*[DD Note: It is important that a driver always sees a guaranteed minimum amount of compensation before choosing whether to accept a particular offer of work. It is unnecessary, however, for the driver to always see the entirety of a customer's tip in advance of acceptance, especially where the driver will always see the full customer tip as a separate line item after every delivery, in accordance with the transparency requirements in this proposal. The suggested language will reduce instances of "cherry picking," where a few drivers game the platform to quickly capture high tip orders before those drivers that are relying on steady offers are denied the opportunity to access these orders.]*

e. When performance of an offer requires a stop or stops at business establishments,

the names of such businesses;

f. To the extent it is reasonably ascertainable, information regarding physical labor required to perform services in furtherance of the offer and accessibility at locations where work will be performed, including but not limited to weights of any goods to be handled; numbers of flights of stairs; and availability of elevators, ramps, and other conditions affecting accessibility. The Director shall issue rules regarding the types of information required to be disclosed, the format of provision of the information, and efforts to ascertain the information that would be considered reasonable; and

g. To the extent it is reasonably ascertainable, the network company shall make available to the app-based worker information that it has about the unsealed contents of each online order.

2. A network company shall not be held responsible for a violation of subsection 8.37.070.A.1 that is attributable solely to incomplete or inaccurate information provided by another party, provided that the network company made a reasonable effort to obtain complete and accurate information.

3. An on-demand offer shall be made available for at least ~~one~~**two** minutes after the app-based worker has been provided the information described in subsection 8.37.070.A.1.

*[DD Note: This is a more appropriate time period to make an offer available given that most offers are accepted much faster than within one minute.]*

4. If an offer entails fulfillment of multiple individual online orders, and the network company lacks advance notice of each online order to provide the information in subsections 8.37.070.A.1.f and 8.37.070.A.1.g, the network company shall provide the app-based worker with such information prior to assigning them work in furtherance of each online order, to the extent it is reasonably ascertainable.

B. Within 24 hours of each offer's performance or cancellation with cause, a network company shall transmit an electronic receipt to the app-based worker that contains the following information for each unique offer covered by this Chapter 8.37:



1. The app-based worker's total amount of engaged time;

**File #:** CB 120294, **Version:** 1

2. The app-based worker's total amount of engaged miles;

3. The app-based worker's compensation, itemized by:

- a. Gross network company payment, as well as the method used to calculate payment, including but not limited to amount per minute or amount per mile;

- b. Total incentive(s) and the basis for calculating the incentive(s), if applicable;

- c. Total amount of compensation from tips;

- d. Total amount of any deductions, itemized by deduction type; and

- e. Net compensation.

4. Itemized fees collected from the app-based worker to access the network company's online enabled application or platform;

5. The approximate geographic location or locations of the app-based worker's engaged time and engaged miles, including pick-up and drop-off locations for offers involving deliveries; and 6. Pursuant to rules that the Director may issue, other information that is material and necessary to effectuate the terms of this Chapter 8.37.

C. On a weekly basis, the network company shall provide written notice to the app-based worker that contains the following information for offers covered by this Chapter 8.37 and which were performed or cancelled with cause, as well as other engagement with the worker platform, during the prior week: 1. The app-based worker's total amount of engaged time;

2. The app-based worker's total amount of engaged miles;

3. The app-based worker's compensation, itemized by:

a. Gross network company payment, as well as the method used to calculate payment, including but not limited to amount per minute or amount per mile;

b. Total incentives and the basis for calculating the incentives, if applicable;

c. Total amount of compensation from tips;

SEATTLE CITY COUNCIL Page 21 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

d. Total amount of any deductions, itemized by deduction type;

e. Net compensation

4. Total amount of itemized fees collected from the app-based worker to access the network company's online-enabled application or platform;

5. Pursuant to rules that the Director may issue, other information that is material and necessary to effectuate the terms of this Chapter 8.37.

D. Within 24 hours of an online order's performance or cancellation with cause, a network company shall transmit an electronic receipt to a paying customer that lists:

1. The date and time of completion of the online order;

2. The total amount paid to the network company, itemizing all charges, fees, and customer-paid tips. The network company shall clearly designate the amount of tips paid directly to the app-based worker and the amount of charges and fees retained by the company; and

3. Pursuant to rules that the Director may issue, other information that is material and necessary to effectuate the terms of this Chapter 8.37.

E. A network company shall ensure that its customer-facing websites, applications, and platforms do not describe any fees or non-tip charges in a manner that might be reasonably misconstrued as a tip, gratuity, or other payment to the app-based worker. Any interface for accepting customer orders shall clearly reflect the amount of any tip paid to the app-based worker.

F. A network company shall ensure that all app-based workers have access to the company's tip policy, including but not limited to whether the network company's online-enabled application or platform allows customers to tip in advance of completion of an online order and whether the network company permits customers to modify or remove tips after performance.

G. A network company shall routinely and affirmatively transmit to the Agency such records as required by rules issued by the Director. The Director shall have the authority to require such aggregated or

SEATTLE CITY COUNCIL Page 22 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

disaggregated records deemed necessary, appropriate, or convenient to administer, evaluate, and enforce the provisions of this Chapter 8.37. The Director may issue rules requiring that aggregated records be produced as a distribution at defined percentiles. The Director may issue data production rules of general applicability as well as rules specific to on-demand companies. In issuing data production rules, the Director shall consider, among other factors, methods to provide workers with information to make informed choices about platforms on which they may seek work and to provide the public with information to assess the impact of network companies. 1.

Records for production may include, but are not limited to:

- a. Records regarding the availability of offers facilitated via the network company platform;
- b. Records regarding the amount of engaged time and engaged miles;
- c. The amount of time that app-based workers must spend working or engaged to wait for work without compensation to perform app-based work;
- d. Records regarding the number of app-based workers who logged onto the worker platform, logged on for the first time in the reporting period, or accepted an offer;
- e. Per-offer or aggregated app-based worker compensation, including but not limited to network company payments, bonuses, incentives, and tips earned from customers; and f. Any other records

that the Director determines are material and necessary to effectuate the purposes of this Chapter 8.37.

2. The Director shall issue rules governing the submission format, security, and privacy protocols relating to the submission of network company records, to the extent permitted by law. H. A network company shall notify app-based workers at least 14 days prior to making a material change to how network company payment will be calculated.

### **8.37.080 Flexibility**

A. An app-based worker has the right to decide when to make themselves available to work and which

SEATTLE CITY COUNCIL Page 23 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

offers to accept or reject. A network company shall not subject an app-based worker to an adverse action, nor institute a policy subjecting an app-based worker to an adverse action, for engaging in the following activities: 1. Limiting hours of availability, including but not limited to being logged into the worker platform for limited hours, only at certain hours of the day, or during certain days of the week. 2. Accepting or rejecting any individual offer, any types of offers, or any number or proportion of offers. An app-based worker may indicate rejection of an offer by declining to respond to the offer. A network company shall ensure that its worker platform enables an app-based worker to communicate a rejection of each offer.

B. A network company shall allow an app-based worker to be logged into the network company's worker platform at any date, time of day, or for any amount of time, except in the following circumstances: 1.

Certain instances of deactivation as defined in rules, or other applicable law.

2. Limitations on a maximum amount of consecutive work time to protect worker and public safety.

C. A network company shall not subject an app-based worker to an adverse action, nor institute a policy subjecting an app-based worker to an adverse action, for cancelling their acceptance of an offer with cause. An app-based worker may cancel their acceptance of an offer with cause (i.e., "cancellation with

cause”) when any of the following conditions occur:

1. Information provided pursuant to subsection 8.37.070.A.1 was substantially inaccurate; provided, that a customer’s alteration of a tip amount shall not constitute grounds for cancellation with cause;
2. The app-based worker cannot complete performance of the offer because the customer is not present or fails to respond to communications from the app-based worker, the customer’s presence or response is required for the app-based work to complete performance of the offer, and the app-based worker has made attempts to contact and/or wait for the customer in accordance with an applicable network company policy, provided that the no-contact or limited-contact deliveries are not considered to require the end customer’s

SEATTLE CITY COUNCIL Page 24 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

presence;

3. Timely completion of the offer has become impracticable due to an unforeseen obstacle or occurrence; or

4. The app-based worker makes a good faith complaint regarding sexual harassment or discrimination that is alleged to have occurred during performance of the offer.

D. For all cancelled offers, network companies shall allow the app-based worker to communicate the reason for cancellation, including at least all reasons included in subsection 8.37.080.C, via the worker platform. The network company shall review the stated reason for cancellation for a reasonable time of no less than three days before taking any action.

### **8.37.100 Notice of rights**

A. Network companies shall provide each app-based worker with a written notice of rights established by this Chapter 8.37. The Agency may create and distribute a model notice of rights in English and other languages. However, upon the effective date of this Chapter 8.37, and subsequently upon an initial offer to a new app-based worker, network companies are responsible for providing app-based workers with the notice of

rights required by subsection 8.37.100.B, in a form and manner sufficient to inform app-based workers of their rights under this Chapter 8.37, regardless of whether the Agency has created and distributed a model notice of rights.

B. The notice of rights shall provide information on:

1. The right to the applicable minimum per-minute amount, per-mile amount, and per-offer amount guaranteed by this Chapter 8.37, including a clear statement of the current applicable amounts; 2. The right to receive the information required to be disclosed by this Chapter 8.37 before accepting an offer and performing services in furtherance of an offer;

3. The right to flexibility in making themselves available for work and accepting, rejecting, or cancelling offers under this Chapter 8.37;

SEATTLE CITY COUNCIL Page 25 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

4. The right to be protected from retaliation for exercising in good faith the rights protected by this Chapter 8.37; and

5. The right to file a complaint with the Agency or bring a civil action for violation of the requirements of this Chapter 8.37, including but not limited to a network company's or any person's failure to pay the minimum per-minute amount, per-mile amount, or per-offer amount, and a network company's or other person's retaliation against an app-based worker or other person for engaging in an activity protected by this Chapter 8.37.

6. The right to a clear statement of the network company's tip policy, including but not limited to whether the network company's online-enabled application or platform allows customers to tip in advance of completion of an online order and whether the network company permits customers to modify or remove tips after performance.

C. Network companies shall provide the notice of rights required by subsection 8.37.100.B in an

electronic format that is readily accessible to the app-based worker. The notice of rights shall be made available to the app-based worker via smartphone application, email, or online web portal, in English and any language that the network company knows or has reason to know is the primary language of the app-based worker. The Director may issue rules governing the form and content of the notice of rights, the manner of its distribution, and required languages for its translation.

#### **8.37.110 Network company records**

A. Network companies shall retain records that document compliance with this Chapter 8.37 for each app-based worker.

B. Network companies shall retain the records required by subsection 8.37.110.A for a period of three years.

C. If a network company fails to retain adequate records required under subsection 8.37.110.A, there shall be a presumption, rebuttable by clear and convincing evidence, that the network company violated this

SEATTLE CITY COUNCIL Page 26 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

Chapter 8.37 for the relevant periods and for each app-based worker for whom records were not retained.

#### **8.37.120 Retaliation prohibited**

A. No network company or any other person shall interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under this Chapter 8.37.

B. No network company or any other person shall take any adverse action against any person because the person has exercised in good faith the rights protected under this Chapter 8.37. Such rights include, but are not limited to, the right to make inquiries about the rights protected under this Chapter 8.37; the right to inform others about their rights under this Chapter 8.37; the right to inform the person's network company, the person's

legal counsel, a union or similar organization, or any other person about an alleged violation of this Chapter 8.37; the right to file an oral or written complaint with the Agency or bring a civil action for an alleged violation of this Chapter 8.37; the right to cooperate with the Agency in its investigations of this Chapter 8.37; the right to testify in a proceeding under or related to this Chapter 8.37; the right to refuse to participate in an activity that would result in a violation of city, state, or federal law; and the right to oppose any policy, practice, or act that is unlawful under this Chapter 8.37.

C. No network company or any other person shall communicate to a person exercising rights protected in this Section 8.37.120, directly or indirectly, the willingness to inform a government worker that the person is not lawfully in the United States, or to report, or to make an implied or express assertion of a willingness to report, suspected citizenship or immigration status of an app-based worker or family member of an app-based worker to a federal, state, or local agency because the app-based worker has exercised a right under this Chapter 8.37.

D. It shall be a rebuttable presumption of retaliation if a network company or any other person takes an adverse action against a person within 90 days of the person's exercise of rights protected in this Section 8.37.120. The network company may rebut the presumption with clear and convincing evidence that the adverse action was taken for a permissible purpose.

SEATTLE CITY COUNCIL Page 27 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

E. Proof of retaliation under this Section 8.37.120 shall be sufficient upon a showing that a network company or any other person has taken an adverse action against a person and the person's exercise of rights protected in this Section 8.37.120 was a motivating factor in the adverse action, unless the network company can prove that the action would have been taken in the absence of such protected activity.

F. The protections afforded under this Section 8.37.120 shall apply to any person who mistakenly but in good faith alleges violations of this Chapter 8.37.



G. A complaint or other communication by any person triggers the protections of this Section 8.37.120 regardless of whether the complaint or communication is in writing or makes explicit reference to this Chapter 8.37.

#### **8.37.125 Rulemaking authority**

The Director is authorized to administer and enforce this Chapter 8.37. The Director is authorized to promulgate, revise, or rescind rules and regulations deemed necessary, appropriate, or convenient to administer, evaluate and enforce the provisions of this Chapter 8.37 pursuant to Chapter 3.02, providing affected entities with due process of law and in conformity with the intent and purpose of this Chapter 8.37. Any rules promulgated by the Director shall have the force and effect of law and may be relied on by network companies, app-based workers, and other parties to determine their rights and responsibilities under this Chapter 8.37.

#### **8.37.130 Enforcement power and duties**

The Agency shall have the power to administer and enforce this Chapter 8.37 and shall have such powers and duties in the performance of these functions as are defined in this Chapter 8.37 and otherwise necessary and proper in the performance of the same and provided for by law.

#### **8.37.140 Violation**

The failure of any respondent to comply with any requirement imposed on the respondent under this Chapter 8.37 is a violation.

#### **8.37.150 Investigation**

A. The Agency shall have the power to investigate any violations of this Chapter 8.37 by any respondent. The Agency may prioritize investigations of workforces that are vulnerable to violations of this Chapter 8.37. The Agency may initiate an investigation pursuant to Director's Rules, including but not limited to situations when the Director has reason to believe that a violation has occurred or will occur, or

when circumstances show that violations are likely to occur within a class of network companies or businesses because the workforce contains significant numbers of app-based workers who are vulnerable to violations of this Chapter 8.37 or the workforce is unlikely to volunteer information regarding such violations. An investigation may also be initiated through the receipt by the Agency of a report or complaint filed by an app based worker or other person.

B. An app-based worker or other person may report to the Agency any suspected violation of this Chapter 8.37. The Agency shall encourage reporting pursuant to this Section 8.37.150 by taking the following measures:

1. The Agency shall keep confidential, to the maximum extent permitted by applicable laws, the name and other identifying information of the app-based worker or person reporting the violation. However, with the authorization of such person, the Agency may disclose the app-based worker's or person's name and identifying information as necessary to enforce this Chapter 8.37 or for other appropriate purposes.
2. The Agency may require the network company to post or otherwise notify other app-based workers working for the network company that the Agency is conducting an investigation. The network company shall provide the notice of investigation in a form, place, and manner designated by the Agency. The Agency shall create the notice of investigation in English and other languages.
3. The Agency may certify the eligibility of eligible persons for "U" Visas under the provisions of 8 U.S.C. § 1184(p) and 8 U.S.C. § 1101(a)(15)(U). This certification is subject to applicable federal law and regulations, and Director's Rules.

C. The Agency's investigation shall commence within three years of the alleged violation. To the extent

permitted by law, the applicable statute of limitations for civil actions is tolled during any investigation under this Chapter 8.37 and any administrative enforcement proceeding under this Chapter 8.37 based upon the

same facts. For purposes of this Chapter 8.37:

1. The Agency's investigation begins on the earlier date of when the Agency receives a complaint from a person under this Chapter 8.37, or when the Agency provides notice to the respondent that an investigation has commenced under this Chapter 8.37.

2. The Agency's investigation ends when the Agency issues a final order concluding the matter and any appeals have been exhausted; the time to file any appeal has expired; or the Agency notifies the respondent in writing that the investigation has been otherwise resolved.

D. The Agency's investigation shall be conducted in an objective and impartial manner. E. The Director may apply by affidavit or declaration in the form allowed under RCW 5.50.050 to the Hearing Examiner for the issuance of subpoenas requiring a network company to produce the records required by Section 8.37.110, or for the attendance and testimony of witnesses, or for the production of documents required to be retained under Section 8.37.110, or any other document relevant to the issue of whether any app based worker or group of app-based workers received the information or other benefits required by this Chapter 8.37, and/or to whether a network company has violated any provision of this Chapter 8.37. The Hearing Examiner shall conduct the review without hearing as soon as practicable and shall issue subpoenas upon a showing that there is reason to believe that: a violation has occurred; a complaint has been filed with the Agency; or circumstances show that violations are likely to occur within a class of businesses because the workforce contains significant numbers of app-based workers who are vulnerable to violations of this Chapter 8.37, the workforce is unlikely to volunteer information regarding such violations, or the Agency has gathered preliminary information indicating that a violation may have occurred.

F. A network company that fails to comply with the terms of any subpoena issued under subsection 8.37.150.E in an investigation by the Agency under this Chapter 8.37 before the issuance of a Director's Order

issued pursuant to subsection 8.37.160.C may not use such records in any appeal to challenge the correctness of any determination by the Agency of liability, damages owed, or penalties assessed.

G. In addition to other remedies, the Director may refer any subpoena issued under subsection 8.37.150.E to the City Attorney to seek a court order to enforce any subpoena.

H. Where the Director has reason to believe that a violation has occurred, the Director may order any appropriate temporary or interim relief to mitigate the violation or maintain the status quo pending completion of a full investigation or hearing, including but not limited to a deposit of funds or bond sufficient to satisfy a good faith estimate of compensation, interest, damages, and penalties due. A respondent may appeal any such order in accordance with Section 8.37.180.

#### **8.37.160 Findings of fact and determination**

A. Except when there is an agreed-upon settlement, the Director shall issue a written determination with findings of fact resulting from the investigation and statement of whether a violation of this Chapter 8.37 has or has not occurred based on a preponderance of the evidence before the Director.

B. If the Director determines that there is no violation of this Chapter 8.37, the Director shall issue a “Determination of No Violation” with notice of an app-based worker’s or other person’s right to appeal the decision, pursuant to Director’s Rules.

C. If the Director determines that a violation of this Chapter 8.37 has occurred, the Director shall issue a “Director’s Order” that shall include a notice of violation identifying the violation or violations. 1. The Director’s Order shall state with specificity the amounts due under this Chapter 8.37 for each violation, including payment of unpaid compensation, liquidated damages, civil penalties, penalties payable to aggrieved parties, fines, and interest pursuant to Section 8.37.170.

2. The Director’s Order may specify that civil penalties and fines due to the Agency can be mitigated for respondent’s timely payment of remedy due to an aggrieved party pursuant to subsection 8.37.170.A.4.

3. The Director's Order may specify that civil penalties and fines are due to the aggrieved party rather than due to the Agency.

4. The Director's Order may direct the respondent to take such corrective action as is necessary to comply with the requirements of this Chapter 8.37, including but not limited to monitored compliance for a reasonable time period.

5. The Director's Order shall include notice of the respondent's right to appeal the decision pursuant to Section 8.37.180.

#### **8.37.165 Complaint procedure**

A. The Agency shall have the power to respond to any violations of this Chapter 8.37 with a complaint procedure.

B. The Agency may initiate a complaint procedure as an alternative enforcement method to an investigation for responding to a report or complaint by any person of a violation of this Chapter 8.37. The Director may issue rules for the complaint procedure, including but not limited to rules to establish the timeline for sending the information required by subsection 8.37.165.D, determine the nature and content of information requested from the complainant and network company, and indicate when the Agency may prioritize use of a complaint procedure prior to an investigation or in lieu of an investigation. The Director may also establish other enforcement methods to efficiently resolve violations of this Chapter 8.37.

C. The Agency may request the complainant to provide information pursuant to the complaint procedure, including but not limited to:

1. Contact information for the app-based worker and network company; and
2. A statement describing the alleged violations of this Chapter 8.37.

D. The Agency may send notices to the network company and complainant, including but not limited to: 1.

Notice of the alleged violation(s). The Agency may send notice to the network company of the alleged violation(s) of this Chapter 8.37. The Agency shall bear any cost of sending such notice by certified

mail or by other means incurring a cost to the Agency. This notice may include but not be limited

to: a. Statement of the alleged violation(s) of this Chapter 8.37; and

b. Description of the remedies available to an app-based worker for violation(s) of

this Chapter 8.37;

2. Response from the network company. The Agency may request the network company to send the Agency relevant information to respond to the alleged violation(s) within an identified timeframe. 3. Notice to the complainant of the response from the network company. The Agency may send a notice to the complainant of the response from the network company. This notice to the complainant may include but not be limited to:

a. The response from the network company, including any enclosures;

b. Information on the right to bring a civil action in a court of competent

jurisdiction; c. Any other information about the status of the complaint; and

d. Information about the navigation program pursuant to Section 8.37.167.

4. Notice of no response. If the Agency receives no response from the network company within the identified timeframe pursuant to subsection 8.37.165.D.2, the Agency may send a notice of no response to the complainant and the network company and may include proof that the Agency previously sent notice of the alleged violation(s) to the network company.

5. Notice of closure. The Agency may send the complainant and network company notice of the Agency's completion of the complaint procedure and/or closure of the case.

E. Upon satisfying the requirements of subsections 8.37.165.C and 8.37.165.D, the Agency may

close the case.

### **8.37.167 Navigation program**

A. The Agency may establish a navigation program that provides intake and information relating to the provisions of this Chapter 8.37.

SEATTLE CITY COUNCIL Page 33 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

1. The navigation program may provide a range of information, including but not limited to:
  - a. Information on the provisions and procedures of this Chapter 8.37;
  - b. General court information, including but not limited to:
    - 1) Information on court procedures for filing civil actions in small claims, district court, and superior court; and
    - 2) Information on obtaining translation and interpretation services, and other courtroom services;
  - c. A list of organizations that can be used to identify attorneys;
  - d. Organizations providing outreach and education, and/or legal assistance, to app-based workers;
  - e. Information about classifying workers as employees or independent contractors; and
  - f. As determined by the Director, additional information related to the provisions of this Chapter 8.37, other workplace protections, or other resources for resolving workplace issues.
2. The navigation program may include outreach and education to the public on the provisions and procedures of this Chapter 8.37.
3. The navigation program shall not include legal advice from the Agency. However, if the Agency provides information to an app-based worker about a community organization through the navigation program, the community organization is not precluded from providing legal advice.

### **8.37.170 Remedies**

A. The payment of unpaid compensation, liquidated damages of up to twice the amount of unpaid compensation, civil penalties, penalties payable to aggrieved parties, fines, and interest provided under this Chapter 8.37 is cumulative and is not intended to be exclusive of any other available remedies, penalties, fines, and procedures.

1. The amounts of all civil penalties, penalties payable to aggrieved parties, and fines contained

SEATTLE CITY COUNCIL Page 34 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

in this Section 8.37.170 shall be increased annually to reflect the rate of inflation and calculated to the nearest cent on January 1 of each year thereafter. The Agency shall determine the amounts and file a schedule of such amounts with the City Clerk.

2. If a violation is ongoing when the Agency receives a complaint or opens an investigation, the Director may order payment of unpaid compensation plus interest that accrues after receipt of the complaint or after the investigation opens and before the date of the Director's Order.

3. Interest shall accrue from the date the unpaid compensation was first due at 12 percent annum, or the maximum rate permitted under RCW 19.52.020.

4. If there is a remedy due to an aggrieved party, the Director may waive part or all civil penalties and fines due to the Agency based on timely payment of the full remedy due to the aggrieved party. a. The Director may waive the total amount of civil penalties and fines due to the Agency if the Director determines that the respondent paid the full remedy due to the aggrieved party within ten days of service of the Director's Order.

b. The Director may waive half the amount of civil penalties and fines due to the Agency if the Director determines that the respondent paid the full remedy due to the aggrieved party within 15 days of service of the Director's Order.

c. The Director shall not waive any amount of civil penalties and fines due to the



Agency if the Director determines that the respondent has not paid the full remedy due to the aggrieved party after 15 days of service of the Director's Order.

5. When determining the amount of liquidated damages, civil penalties, penalties payable to aggrieved parties, and fines due under this Section 8.37.170 for a settlement agreement or Director's Order, including but not limited to the mitigation of civil penalties and fines due to the Agency for timely payment of remedy due to an aggrieved party under subsection 8.37.170.A.4, the Director may consider: a. The total amount of unpaid compensation, liquidated damages, penalties, fines, and

SEATTLE CITY COUNCIL Page 35 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

interest due;

- b. The nature and persistence of the violations;
- c. The extent of the respondent's culpability;
- d. The substantive or technical nature of the violations;
- e. The size, revenue, and human resources capacity of the respondent;
- f. The circumstances of each situation;
- g. The amount of penalties in similar situations; and
- h. Pursuant to rules that the Director may issue, other factors that are material and

necessary to effectuate the terms of this Chapter 8.37.

B. A respondent found to be in violation of this Chapter 8.37 shall be liable for full payment of unpaid compensation due plus interest in favor of the aggrieved party under the terms of this Chapter 8.37, and other equitable relief. If the precise amount of unpaid compensation cannot be determined due to a respondent's failure to produce records or if a respondent produces records in a manner or form which makes timely determination of the amount of unpaid compensation impracticable, the Director may designate a daily amount for unpaid compensation plus interest in favor of the aggrieved party. The daily amount of unpaid compensation shall be at least the equivalent of payment for eight hours of work at the "hourly minimum

wage” rate for Schedule 1 employers under Chapter 14.19. For any violation of this Chapter 8.37, the Director may assess liquidated damages in an additional amount of up to twice the unpaid compensation.

C. A respondent found to be in violation of this Chapter 8.37 for retaliation under Section 8.37.120 shall be subject to any appropriate relief at law or equity including, but not limited to, reinstatement of the aggrieved party, front pay in lieu of reinstatement with full payment of unpaid compensation plus interest in favor of the aggrieved party under the terms of this Chapter 8.37, and liquidated damages in an additional amount of up to twice the unpaid compensation. The Director also shall order the imposition of a penalty payable to the aggrieved party of up to \$5,755.31.

SEATTLE CITY COUNCIL Page 36 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

D. The Director is authorized to assess civil penalties for a violation of this Chapter 8.37 and may specify that civil penalties are due to the aggrieved party rather than due to the Agency. 1. For a first violation of this Chapter 8.37, the Director may assess a civil penalty of up to \$575.31 per aggrieved party.

2. For a second violation of this Chapter 8.37, the Director shall assess a civil penalty of up to \$1,150.63 per aggrieved party, or an amount equal to ten percent of the total amount of unpaid compensation, whichever is greater.

3. For a third or any subsequent violation of this Chapter 8.37, the Director shall assess a civil penalty of up to \$5,755.31 per aggrieved party, or an amount equal to ten percent of the total amount of unpaid compensation, whichever is greater.

4. For purposes of this subsection 8.37.170.D, a violation is a second, third, or subsequent violation if the respondent has been a party to one, two, or more than two settlement agreements, respectively, stipulating that a violation has occurred; and/or one, two, or more than two Director’s Orders, respectively, have issued against the respondent in the ten years preceding the date of the violation;

otherwise, it is a first violation.

E. The Director is authorized to assess fines for a violation of this Chapter 8.37 and may specify that fines are due to the aggrieved party rather than due to the Agency. The Director is authorized to assess fines as follows:

#### Violation Fine

Failure to provide app-based worker with up-front information regarding offers under subsection 8.37.070.A	subsection 8.37.070.B Failure to provide app-based worker with weekly statements under subsection 8.37.070.C
Failure to provide app-based worker with electronic receipts within 24 hours of each offer's performance or cancellation with cause under	Up to \$575.31 per aggrieved party Up to \$575.31 per aggrieved party
Failure to provide the Agency with records required under subsection 8.37.070.G	Up to \$575.31 per missing record
Failure to provide app-based worker with at least 14 days of notice of a material <u>change to the network company payment calculation under</u>	<u>subsection 8.37.070.H</u> Up to \$575.31 per <u>aggrieved party</u>
SEATTLE CITY COUNCIL Page 37 of 49 Printed on 4/4/2022	
Failure to comply with requirements for to work and which offers to accept or app-based worker's right to decide when reject under subsection 8.37.080.A	Up to \$575.31 per aggrieved party powered by Legistar™
Failure to coml with reuirements for a-based worker's riht to be loed	U to \$575.31 er
...	
Failure to provide app-based worker with weekly statements under subsection 8.37.070.C	Up to \$575.31 per aggrieved party
Failure to provide the Agency with records required under subsection 8.37.070.G	Up to \$575.31 per
<b>File #:</b> CB 120294, <b>Version:</b> 1	<del>missing record</del>
Failure to provide app-based worker with at least 14 days of notice of a material change to the network company payment calculation under subsection 8.37.070.H	Failure to comply with requirements for app-based worker's cancellation of acceptance of an offer with cause under subsection 8.37.080.C
Failure to comply with requirements for app-based worker's right to decide when to work and which offers to accept or reject under subsection 8.37.080.A	Up to \$575.31 per aggrieved party Up to \$575.31 per aggrieved party
Failure to comply with requirements for app-based worker's	Up to \$575.31 per aggrieved party
Failure to provide written notice of rights under	Section 8.37.100 Up to \$575.31 per aggrieved party
Failure to retain network company records for three years under subsections 8.37.110.A and 8.37.110.B	Section 8.37.120
Failure to comply with prohibitions against retaliation for exercising rights protected under	Failure to provide notice of investigation to app-based workers under subsection 8.37.150.B.2
	Failure to post or distribute public notice of failure to comply with final order under subsection

8.37.210.A.1 per aggrieved party Up to \$575.31 per aggrieved  
Up to \$575.31 per missing record party  
Up to \$1,150.63 per aggrieved party Up to \$575.31

For each app-based worker who performs services in Seattle for the network company and for each missing record, the maximum amount that may be imposed in fines in a one-year period for each type of violation for each app-based worker listed above is \$5,755.31. For each app-based worker who performs services in Seattle for the network company, if a fine for retaliation is issued, the maximum amount that may be imposed for each app-based worker in a one-year period is \$23,020.

F. A respondent that willfully hinders, prevents, impedes, or interferes with the Director or Hearing Examiner in the performance of their duties under this Chapter 8.37 shall be subject to a civil penalty of not less than \$1,150.63 and not more than \$5,755.31.

G. In addition to the unpaid compensation, penalties, fines, liquidated damages, and interest, the Agency may assess against the respondent in favor of the City the reasonable costs incurred in enforcing this Chapter 8.37, including but not limited to reasonable attorneys' fees.

H. A respondent that is the subject of a settlement agreement stipulating that a violation has occurred shall count for debarment, or a final order for which all appeal rights have been exhausted, shall not be

permitted to bid, or have a bid considered, on any City contract until such amounts due under the final order have been paid in full to the Director. If the respondent is the subject of a final order two times or more within a five-year period, the network company shall not be allowed to bid on any City contract for two years. This subsection 8.37.170.H shall be construed to provide grounds for debarment separate from, and in addition to, those contained in Chapter 20.70 and shall not be governed by that chapter; provided, that nothing in this subsection 8.37.170.H shall be construed to limit the application of Chapter 20.70. The Director shall notify the

Director of Finance and Administrative Services of all respondents subject to debarment under this subsection 8.37.170.H.

#### **8.37.180 Appeal period and failure to respond**

A. An app-based worker or other person who claims an injury as a result of an alleged violation of this Chapter 8.37 may appeal the Determination of No Violation, pursuant to Director's Rules. B. A respondent may appeal the Director's Order, including all remedies issued pursuant to Section 8.37.170, by requesting a contested hearing before the Hearing Examiner in writing within 15 days of service of the Director's Order. If a respondent fails to appeal the Director's Order within 15 days of service, the Director's Order shall be final. If the last day of the appeal period so computed is a Saturday, Sunday, or federal or City holiday, the appeal period shall run until 5 p.m. on the next business day.

#### **8.37.190 Appeal procedure and failure to appear**

A. Contested hearings shall be conducted pursuant to the procedures for hearing contested cases contained in Section 3.02.090 and the rules adopted by the Hearing Examiner for hearing contested cases. The hearing shall be conducted de novo and the Director shall have the burden of proving by a preponderance of the evidence that the violation or violations occurred. Upon establishing such proof, the remedies and penalties imposed by the Director shall be upheld unless it is shown that the Director abused discretion. Failure to appear for a contested hearing shall result in an order being entered finding that the respondent committed the violation stated in the Director's Order. For good cause shown and upon terms the Hearing Examiner deems just, the

SEATTLE CITY COUNCIL Page 39 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

Hearing Examiner may set aside an order entered upon a failure to appear.

B. In all contested cases, the Hearing Examiner shall enter an order affirming, modifying, or reversing the Director's Order, consistent with Ordinance 126068.

#### **8.37.200 Appeal from Hearing Examiner order**

A. The respondent may obtain judicial review of the decision of the Hearing Examiner by applying for a Writ of Review in the King County Superior Court within 30 days from the date of the decision in accordance with the procedure set forth in chapter 7.16 RCW, other applicable law, and court rules.

B. The decision of the Hearing Examiner shall be final and conclusive unless review is sought in compliance with this Section 8.37.200.

#### **8.37.210 Failure to comply with final order**

A. If a respondent fails to comply within 30 days of service of any settlement agreement with the Agency, or with any final order issued by the Director or the Hearing Examiner for which all appeal rights have been exhausted, the Agency may pursue, but is not limited to, the following measures to secure compliance:

1. The Director may require the respondent to post or distribute public notice of the respondent's failure to comply in a form and manner determined by the Agency.

2. The Director may refer the matter to a collection agency. The cost to the City for the collection services will be assessed as costs, at the rate agreed to between the City and the collection agency, and added to the amounts due.

3. The Director may refer the matter to the City Attorney for the filing of a civil action in King County Superior Court, the Seattle Municipal Court, or any other court of competent jurisdiction to enforce such order or to collect amounts due. In the alternative, the Director may seek to enforce a Director's Order or a final order of the Hearing Examiner under Section 8.37.190.

4. The Director may request that the City's Department of Finance and Administrative Services deny, suspend, refuse to renew, or revoke any business license held or requested by the network company or

person until such time as the network company complies with the remedy as defined in the settlement

agreement or final order. The City's Department of Finance and Administrative Services shall have the authority to deny, refuse to renew, or revoke any business license in accordance with this subsection 8.37.210.A.4.

B. No respondent that is the subject of a final order issued under this Chapter 8.37 shall quit business, sell out, exchange, convey, or otherwise dispose of the respondent's business or stock of goods without first notifying the Agency and without first notifying the respondent's successor of the amounts owed under the final order at least three business days before such transaction. At the time the respondent quits business, or sells out, exchanges, or otherwise disposes of the respondent's business or stock of goods, the full amount of the remedy, as defined in a final order issued by the Director or the Hearing Examiner, shall become immediately due and payable. If the amount due under the final order is not paid by respondent within ten days from the date of such sale, exchange, conveyance, or disposal, the successor shall become liable for the payment of the amount due; provided, that the successor has actual knowledge of the order and the amounts due or has prompt, reasonable, and effective means of accessing and verifying the fact and amount of the order and the amounts due. The successor shall withhold from the purchase price a sum sufficient to pay the amount of the full remedy. When the successor makes such payment, that payment shall be deemed a payment upon the purchase price in the amount paid, and if such payment is greater in amount than the purchase price the amount of the difference shall become a debt due such successor from the network company.

#### **8.37.220 Debt owed The City of Seattle**

A. All monetary amounts due under the Director's Order shall be a debt owed to the City and may be collected in the same manner as any other debt in like amount, which remedy shall be in addition to all other existing remedies; provided, that amounts collected by the City for unpaid compensation, liquidated damages, penalties payable to aggrieved parties, or front pay shall be held in trust by the City for the aggrieved party and,

once collected by the City, shall be paid by the City to the aggrieved party.

B. If a respondent fails to appeal a Director's Order to the Hearing Examiner within the time period set forth in subsection 8.37.180.B, the Director's Order shall be final, and the Director may petition the Seattle Municipal Court, or any court of competent jurisdiction, to enforce the Director's Order by entering judgment in favor of the City finding that the respondent has failed to exhaust its administrative remedies and that all amounts and relief contained in the order are due. The Director's Order shall constitute prima facie evidence that a violation occurred and shall be admissible without further evidentiary foundation. Any certifications or declarations authorized under RCW 5.50.050 containing evidence that the respondent has failed to comply with the order or any parts thereof, and is therefore in default, or that the respondent has failed to appeal the Director's Order to the Hearing Examiner within the time period set forth in subsection 8.37.180.B, and therefore has failed to exhaust the respondent's administrative remedies, shall also be admissible without further evidentiary foundation.

C. If a respondent fails to obtain judicial review of an order of the Hearing Examiner within the time period set forth in subsection 8.37.200.A, the order of the Hearing Examiner shall be final, and the Director may petition the Seattle Municipal Court to enforce the Director's Order by entering judgment in favor of the City for all amounts and relief due under the order of the Hearing Examiner. The order of the Hearing Examiner shall constitute conclusive evidence that the violations contained therein occurred and shall be admissible without further evidentiary foundation. Any certifications or declarations authorized under RCW 9A.72.085 containing evidence that the respondent has failed to comply with the order or any parts thereof, and is therefore in default, or that the respondent has failed to avail itself of judicial review in accordance with subsection 8.37.200.A, shall also be admissible without further evidentiary foundation.

D. In considering matters brought under subsections 8.37.220.B and 8.37.220.C, the Seattle Municipal Court may include within its judgment all terms, conditions, and remedies contained in the Director's Order or the order of the Hearing Examiner, whichever is applicable, that are consistent with the provisions of this



Chapter 8.37.

**8.37.230 Private right of action**

A. Any person or class of persons that suffers an injury as a result of a violation of this Chapter 8.37, or is the subject of prohibited retaliation under Section 8.37.120, may bring a civil action in a court of competent jurisdiction against the network company or other person violating this Chapter 8.37 and, upon prevailing, may be awarded reasonable attorney fees and costs and such legal or equitable relief as may be appropriate to remedy the violation including, without limitation: the payment of any unpaid compensation plus interest due to the person and liquidated damages in an additional amount of up to twice the unpaid compensation; and a penalty payable to any aggrieved party of up to \$5,755.31 if the aggrieved party was subject to prohibited retaliation. Interest shall accrue from the date the unpaid compensation was first due at 12 percent per annum, or the maximum rate permitted under RCW 19.52.020.

B. For purposes of this Section 8.37.230, “person” includes any entity a member of which has suffered an injury or retaliation, or any other individual or entity acting on behalf of an aggrieved party that has suffered an injury or retaliation.

C. For purposes of determining membership within a class of persons entitled to bring an action under this Section 8.37.230, two or more app-based workers are similarly situated if they:

1. Performed services in Seattle for the same network company or network companies, whether concurrently or otherwise, at some point during the applicable statute of limitations period,
2. Allege one or more violations that raise similar questions as to liability, and
3. Seek similar forms of relief.

D. For purposes of subsection 8.37.230.C, app-based workers shall not be considered dissimilar solely because:

1. The app-based workers’ claims seek damages that differ in amount, or

2. The job titles of or other means of classifying the app-based workers differ in ways that are

**File #:** CB 120294, **Version:** 1

unrelated to their claims.

E. An order issued by the court may include a requirement for a network company to submit a compliance report to the court and to the Agency.

### **8.37.233 Waiver**

Any waiver by an individual of any provisions of this Chapter 8.37 shall be deemed contrary to public policy and shall be void and unenforceable.

### **8.37.235 Encouragement of more generous policies**

A. Nothing in this Chapter 8.37 shall be construed to discourage or prohibit a network company from the adoption or retention of minimum labor and compensation standards more generous than the one required by this Chapter 8.37.

B. Nothing in this Chapter 8.37 shall be construed as diminishing the obligation of the network company to comply with any contract, or other agreement providing more generous minimum labor and compensation standards to an app-based worker than required by this Chapter 8.37.

### **8.37.240 Other legal requirements-Effect on other laws**

A. The provisions of this Chapter 8.37:

1. Supplement and do not diminish or replace any other basis of liability or requirement established by statute or common law;
2. Shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard for minimum labor and compensation requirements, or which extends other protections to app-based workers; and
3. Shall not be interpreted or applied so as to create any power or duty in conflict with federal

or state law.

B. This Chapter 8.37 shall not be construed to preclude any person aggrieved from seeking judicial review of any final administrative decision or order made under this Chapter 8.37 affecting such person.

SEATTLE CITY COUNCIL Page 44 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

Nothing in this Section 8.37.240 shall be construed as restricting an app-based worker's right to pursue any other remedies at law or equity for violation of the contractor's rights.

C. A network company's failure to comply with the provisions of this Chapter 8.37 shall not render any contract between the network company and an app-based worker void or voidable.

D. No provision of this Chapter 8.37 shall be construed as providing a determination about the legal classification of any individual as an employee or independent contractor.

### **8.37.250 Severability**

The provisions of this Chapter 8.37 are declared to be separate and severable. If any clause, sentence, paragraph, subdivision, section, subsection, or portion of this Chapter 8.37, or the application thereof to any network company, app-based worker, person, or circumstance, is held to be invalid, it shall not affect the validity of the remainder of this Chapter 8.37, or the validity of its application to other persons or circumstances.

Section 4. Section 3.02.125 of the Seattle Municipal Code, last amended by Ordinance 126283, is amended as follows:

### **3.02.125 Hearing Examiner filing fees**

A. The filing fee for a case before the City Hearing Examiner is \$85, with the following exceptions:

**Basis for Case Fee in dollars**

\* \* \*

All-Gender Restroom Notice of Violation (Section 14.07.040) No fee App-Based Worker Minimum Payment Ordinance (Chapter 8.37) No fee Cable Communications (Chapter 21.60) No fee \* \* \*

\* \* \*

Section 5. Section 3.15.000 of the Seattle Municipal Code, last amended by Ordinance 126189, is amended as follows:

SEATTLE CITY COUNCIL Page 45 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

**3.15.000 Office of Labor Standards created-Functions**

There is created within the Executive Department an Office of Labor Standards, under the direction of the Mayor. The mission of the Office of Labor Standards is to advance labor standards through thoughtful community and business engagement, strategic enforcement, and innovative policy development, with a commitment to race and social justice. The Office of Labor Standards seeks to promote greater economic opportunity and further the health, safety, and welfare of employees; support employers in their implementation of labor standards requirements; and end barriers to workplace equity for women, communities of color, immigrants and refugees, and other vulnerable workers.

The functions of the Office of Labor Standards are as follows:

- A. Promoting labor standards through outreach, education, technical assistance, and training for employees and employers;
- B. Collecting and analyzing data on labor standards enforcement;
- C. Partnering with community, businesses, and workers for stakeholder input and collaboration;
- D. Developing innovative labor standards policy;

E. Administering and enforcing labor standards (Title 8), City of Seattle ordinances relating to paid sick and safe time (Chapter 14.16), use of criminal history in employment decisions (Chapter 14.17), minimum wage and minimum compensation (Chapter 14.19), wage and tip compensation requirements (Chapter 14.20), secure scheduling (Chapter 14.22), domestic workers (Chapter 14.23), hotel employees safety protections (Chapter 14.26), protecting hotel employees from injury (Chapter 14.27), improving access to medical care for hotel employees (Chapter 14.28), hotel employees job retention (Chapter 14.29), commuter benefits (Chapter 14.30), transportation network company driver deactivation protections (Chapter 14.32), transportation network company driver minimum compensation (Chapter 14.33), and other labor standards ordinances that may be enacted in the future.

Section 6. Subsection 6.208.020.A of the Seattle Municipal Code, which section was last amended by

SEATTLE CITY COUNCIL Page 46 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

Ordinance 126274, is amended as follows:

**6.208.020 Denial, revocation of, or refusal to renew business license**

A. In addition to any other powers and authority provided under this Title 6, the Director, or the Director's designee, has the power and authority to deny, revoke, or refuse to renew any business license issued under the provisions of this Chapter 6.208. The Director, or the Director's designee, shall notify such applicant or licensee in writing by mail of the denial, revocation of, or refusal to renew the license and on what grounds such a decision was based. The Director may deny, revoke, or refuse to renew any license issued under this Chapter 6.208 on one or more of the following grounds:

1. The license was procured by fraud or false representation of fact.
2. The licensee has failed to comply with any provisions of this Chapter 6.208.
3. The licensee has failed to comply with any provisions of Chapters 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, or 5.52.

4. The licensee is in default in any payment of any license fee or tax under Title 5 or Title 6.

5. The property at which the business is located has been determined by a court to be a chronic nuisance property as provided in Chapter 10.09.

6. The applicant or licensee has been convicted of theft under subsection 12A.08.060.A.4 within the last ten years.

7. The applicant or licensee is a person subject within the last ten years to a court order entering final judgment for violations of chapters 49.46, 49.48, or 49.52 RCW, or 29 U.S.C. 206 or 29 U.S.C. 207, and the judgment was not satisfied within 30 days of the later of either:

a. The expiration of the time for filing an appeal from the final judgment order under the court rules in effect at the time of the final judgment order; or

b. If a timely appeal is made, the date of the final resolution of that appeal and any subsequent appeals resulting in final judicial affirmation of the findings of violations of chapters 49.46, 49.48,

SEATTLE CITY COUNCIL Page 47 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

or 49.52 RCW, or 29 U.S.C. 206 or 29 U.S.C. 207.

8. The applicant or licensee is a person subject within the last ten years to a final and binding citation and notice of assessment from the Washington Department of Labor and Industries for violations of chapters 49.46, 49.48, or 49.52 RCW, and the citation amount and penalties assessed therewith were not satisfied within 30 days of the date the citation became final and binding.

9. Pursuant to relevant provisions in Title 8, subsections 14.16.100.A.4, 14.17.075.A, 14.19.100.A.4, 14.20.080.A.4, 14.22.115.A.4, 14.23.115.A.4, 14.26.210.A.4, 14.27.210.A.4, 14.28.210.A.4, 14.30.180.A.4, and 14.33.210.A.4, subsection 100.240.A.4 of Ordinance 126091, subsection 100.240.A.4 of Ordinance 126094, and subsection 100.240.A.4 of Ordinance 126274, the applicant or licensee has failed to comply, within 30 days of service of any settlement agreement, with any final order issued by the Director of the Office

of Labor Standards, or any final order issued by the Hearing Examiner under Title 8, Chapters 14.16, 14.17, 14.19, 14.20, 14.22, 14.23, 14.26, 14.27, 14.28, 14.29, 14.30, and 14.33, Ordinance 126091, Ordinance 126094, and Ordinance 126274 for which all appeal rights have been exhausted, and the Director of the Office of Labor Standards has requested that the Director deny, refuse to renew, or revoke any business license held or requested by the applicant or licensee. The denial, refusal to renew, or revocation shall remain in effect until such time as the violation(s) under Title 8, Chapters 14.16, 14.17, 14.19, 14.20, 14.22, 14.23, 14.26, 14.27, 14.28, 14.29, 14.30, and 14.33, Ordinance 126091, Ordinance 126094, and Ordinance 126274 are remedied.

10. The business is one that requires an additional license under this Title 6 and the business does not hold that license.

11. The business has been determined under a separate enforcement process to be operating in violation of law.

\* \* \*

Section 7. Section 3 of this ordinance shall take effect ~~24~~<sup>12</sup> months after the effective date of this

*[DD Note: This is updated to reflect our understanding of the intent to study the effects of this ordinance before it comes into effect.]*

SEATTLE CITY COUNCIL Page 48 of 49 Printed on 4/4/2022 powered by Legistar™

**File #:** CB 120294, **Version:** 1

ordinance.

Section 8. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2022, and signed by me in open session in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_,

2022.

\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved / returned unsigned / vetoed this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Bruce A. Harrell, Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Monica Martinez Simmons, City Clerk

(Seal)